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# FOREIGN POLICY bulletin

AN ANALYSIS OF CURRENT INTERNATIONAL EVENTS

VOLUME 36 NUMBER 16

## Bermuda Balance-Sheet

by William H. Stringer

WASHINGTON—The Bermuda conference put the Anglo-American alliance “back on the rails” in terms of mutual respect and cordiality between the two countries. The problem ahead is whether this restored partnership can be made the vehicle for dynamic and coordinated leadership at Suez or elsewhere in a tense and troubled world.

The British went to the conference to talk serious business. They were convinced they would have to cut down on their global commitments if they were to find the money and manpower for living adequately by their exports and their technological wits. They also hoped to discover some measure of iron in the velvet glove with which Secretary of State John Foster Dulles was handling Egypt's President Nasser.

The Americans, in turn, went to Bermuda aware that the West's global posture is much stronger when the Anglo-American alliance is functioning—which had not been the case since the Suez crisis exploded last October. They brought a readiness to spare no helpful gesture in restoring trust and cordiality to the partnership.

As has happened before, the old alchemy

worked. When frankness and boldness prevail on both sides, Britons and Americans usually confer successfully. The British found the American conferees responsive to Prime Minister Harold Macmillan's economic program—his “dash toward productivity.” The Americans, including President Eisenhower, warmed to a man willing to speak his mind, ready to avoid recriminations over the past, and obviously receptive to new ideas.

The conference achievements should not, however, be overplayed. The alliance is not restored to the personal, wartime, transatlantic-telephone intimacy which characterized the Roosevelt-Churchill relationship. Perhaps this is impossible amid the intricate conditions and diplomacy of peace.

What Bermuda did accomplish was the open and friendly discussion of, and general agreement on, desired aims and goals. But the specific policies required to attain these goals were not, in most instances, staked out.

Perhaps the most fundamental achievement was the broad meeting-of-minds on the characteristics and necessities of the new age into which both powers are advancing. As defined at the Mid-Ocean Club sessions:

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1. It is an era in which Washington and London both recognize that Britain must thin out its garrisons in West Germany, Malaya, Libya, Hong Kong, to provide the money and manpower urgently required on the industrial front back home. The Macmillan government is prepared—Parliament willing—to slough off ancient imperialism for modern industrial strength to make Britain a dynamic producer, a bold exporter, a sound banker for the sterling world, a leader in atomic energy. The United States will help the British wherever possible.

2. It is an era, as indicated by the British White Paper on defense of April 4, in which guided missiles will gradually become the chief defense of Britain and of Western Europe. The intermediate-range missiles which the United States has agreed to supply Britain in one to four years will help replace the withdrawn manpower with increased firepower.

### Decisions for New Era

3. It is an era in which the United States has assumed primary responsibility for Middle Eastern policy. Its willingness, announced at Bermuda, to join the military committee of the Baghdad pact and its endorsement of long-range plans to bypass Suez with supertankers and treaty-guaranteed pipelines through Turkey suggests that eventually Western Europe may be able to free itself from Nasser's thrall.

4. It is an era in which Britain begins to wade gingerly in the waters of the European "common market."

But the British made clear at Bermuda that they do not intend to abandon their Commonwealth ties and trade commitments, which help to lift Britain beyond the status of "European" power to that of "world" power.

Other matters received merely quick and routine attention. No change whatever was registered in the Anglo-American policy to "stand fast" on present views regarding the reunification of Germany. The conferees, however, agreed that they must gird against an expected Soviet propaganda offensive designed to influence the forthcoming West German elections. As for trade with Red China, both sides agreed to continue to disagree, but Britain will increase sales of agricultural machinery to Peiping.

Britain and the United States vowed to impose restraints on their nuclear weapons tests, to minimize the hazards of radioactivity. And in a purely propaganda gambit they proposed to register future tests with the United Nations—and permit international observation of them. That is, "if the Soviet Union would do the same," which is very doubtful.

### No Hard Mideast Policy

Those who anticipated that Bermuda would supply hard policy for dealing with Suez, Aqaba and Gaza have been disappointed. Britain is now the junior partner of the alliance; it attempted to force a solution at Suez and was compelled to withdraw. Now London has resignedly bowed to the Dulles policy of operat-

ing through the United Nations and its secretary-general. At short range this means that President Nasser, undisturbed by threats of boycott or force, operates the Suez Canal pretty much on his own terms.

London still has grave misgivings about the Washington policy of entrusting crucial interests to the forum of the UN and its growing Asian-African bloc. In a quiet morning session at Bermuda Mr. Macmillan expressed his frank doubts to Mr. Eisenhower. The President believes, however, that the Asian-African bloc is by no means monolithic and that in the long pull the West can improve its skills at persuasive parliamentary-congressional maneuver within the UN. The fundamental disagreement remains, polite but unresolved.

Meanwhile, the British console themselves with the prospective American membership in the Baghdad military committee and the long-range pressures which may build up against President Nasser. Mr. Macmillan found a little more iron than London had previously suspected in the Dulles velvet glove. But it is in the business of devising any kind of coordinated and effective policy for handling the persisting problems of the Middle East that the restored goodwill of the Anglo-American alliance will undergo its most severe tests.

Mr. Stringer, who is chief of the Washington News Bureau of *The Christian Science Monitor* and author of its front-page column, "The Washington Scene," covered the Bermuda conference for his newspaper.

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## Iraq: Nation Astride Centuries

BAGHDAD—Iraq has one foot in the 20th century B.C. and the other in the 20th century A.D.—which is quite an accomplishment. So far, this most modern of most ancient Arab countries has kept its balance in this precarious position. But it is not easy.

As of now, however, there can be nothing but admiration for Iraq's determination to step out of the past and into the present, even the future, as a leader of Arab progress and development. And it is doing it with an energy, a drive, a vision, that are unique in this part of the world. Also, fortunately, it has the resources with which to do it.

Iraq is blessed with a wealth that dwarfs the fabled riches of Babylon. It has an ocean of oil under its fertile fields and desert sands. And it is devoting 70 percent of the revenue from oil to a gigantic development program. It is building roads, dams, highways, factories, bridges, houses, hospitals, the length and breadth of the land. Not all, of course, in one year but in a series of development programs which are expected to double the nation's standard of living in 15 years.

### Hopes and Mistakes

I have been visiting Iraq the past week, as the whole country celebrates its second annual Development Week, and one cannot but be impressed by what is going on in this Middle East kingdom, about which the West knows so very little—and on which it counts so much to stabilize the economic and political forces of this vast and ancient area.

It is easy, of course, to be critical as one watches an ancient land, with a very young regime and a backward

people, striving to bypass the centuries. Its King Faisal II is young and inexperienced; its politics are volatile and built on personalities; its peasants are generally living as they did, or must have, in the time of Nebuchadnezzar, in mud huts set in date-palm groves or herding sheep on Iraq's endless acres; and its oil and strategic position make it a coveted prize in the global struggle between East and West.

There is no denying that Iraq is making and has made some sizeable mistakes in its rush to overtake the centuries—nor can it be denied that there is a certain amount of graft and corruption in a project which has some \$200 million to spend annually. But what nation, however advanced, is free from graft and corruption?

One of the first things a visitor to Baghdad sees is an impressive new railway station—but unfortunately not built near any rail lines. Iraq has raised a massive fortress-like arch as the first step in building a national museum—only unfortunately has now decided to tear it down as blueprints change. It just inaugurated an \$8 million textile factory outside Mosul in the north—but does not have the skilled manpower to run it. I visited a cement factory which is as modern and impressive as any in the United States—but there is no visible demand for its product, except more state roads and dams.

### Development Problems

There is no question but that Iraq is benefiting from this program, into which it is pouring 70 percent of its oil revenues and in which it is widely using Western technicians. But there is a serious question as to whether

Iraq can do so much for so many in so few years without suffering from economic and social indigestion. The Baghdad government unquestionably has the money with which to transform Iraq, to make it a new Garden of Eden, but the question is, Can the Iraqi government, or any government, remake the customs and habits of a people as quickly as it can build new buildings? The Russians could do it, or appear to have done it, because they were and are ruthless dictators—and they had a continent to work with. But Iraq, for all its wealth, has only 5 million people, a primitive labor supply, and a new and not too firmly established constitutional monarchy.

The grand old man of Iraqi politics is Nuri as-Said, who has been in and out of the government ever since Iraq emerged from the World War I upheavals which brought about the end of the Ottoman Empire. He is currently premier and presumably will continue in that office for some months if not years. But he is an old man and is finding the job increasingly exhausting. My guess is that he will continue in office at least until the oil is again flowing at capacity through the pipelines which pass across Syria and the current Arab-Israeli crisis is over.

There are a lot of rumors that when Nuri goes, Iraq will face a political crisis which could hurt its relations with the West. It is no secret that Iraq is determined to obtain a larger percentage from its oil resources than the 50 percent it now receives from the Iraq Petroleum Company and that in time it is sure to get more. Perhaps my most agree-

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## Suez Aftermath

Six months after the abortive attacks of Britain, France and Israel on Egypt, a modern Rip Van Winkle, who upon awakening glances at newspaper headlines, might rub his eyes and say, "But isn't this what I read last October?"

For once again the United States and the United Nations are trying to discover a formula for "insulating" the Suez Canal, nationalized by President Gamāl Abdel Nasser in July 1956, "from the politics of any country." Once again Egypt insists on control of the strategic waterway which lies within its territory. Once again Israel demands the right of passage through the canal, denied to it by Egypt on the ground that the state of belligerency resulting from the Arab-Israeli war of 1948 continues in force. And once again Britain, in spite of the Bermuda reconciliation, regards Washington's reliance on the UN in the Suez episode as unrealistic—a view Prime Minister Robert G. Menzies of Australia vigorously supported in an address to Melbourne University students on April 3.

### Score to Date

The score to date is that Egypt remains in control of the Suez Canal and, so far as can be judged from the public record, has not departed from the position it took last July that the canal is subject to its national sovereignty. The draft memorandum issued by Cairo March 28 on the future operation of the canal made no reference to the six principles for a canal settlement regarded as essential by Britain and France and endorsed by the UN Security Council on October 13, 1956.

One of these six principles bars any discrimination against users of the canal. Another—the third on the list—provides for insulation of the canal from the politics of any country. The United States regards this third point, which the U.S.S.R. also supports, of cardinal importance, but wants Egypt to pledge compliance with the entire list of six.

The present wording of the memorandum, according to Washington, would permit Egypt to run the canal unilaterally as a purely Egyptian property. Secretary of State John Foster Dulles at his April 2 press conference expressed the hope that "with some rather minor word changes" Cairo's plan might be converted into a multilateral obligation, perhaps by some measure such as filing it with the United Nations.

Egypt's draft memorandum provided for arbitration of differences between its operating authority and the users of the canal, but omitted any machinery for enforcing compliance with the arbitration award. The United States, it is reported, wants the provisions for arbitration clarified, including the question of who would represent the users in dealings with the Egyptian authority.

The Western powers are divided about the next step in persuading President Nasser to pledge the safeguards they regard as necessary for effective operation of the canal in the future. The United States has taken the view that Cairo's draft memorandum and a note delivered to Washington on April 2 in reply to American comments are a "preliminary response" to its suggestions about insulation, and prefers to conduct further negotiations through bilateral

diplomatic channels. By contrast, France and Australia have proposed that the Suez Canal issue be placed before the UN Security Council. The United States has hitherto opposed this move. Britain, earlier cool to it, is now for UN action. The nations favoring a Security Council discussion apparently thought it might improve the possibility of an organized boycott of the canal until Egypt agreed to the six principles. Secretary of State Dulles on April 2 said Washington was leaving the initiative for such action to the principal canal users, declaring that the United States is not in this category.

### Who Will Pay for What?

While the diplomats of the nations concerned threw the ball back and forth to each other, financial experts were assessing the costs, past and future, of operating the canal, which was reopened to traffic on a limited basis on March 29 and to normal operation on April 10. John J. McCloy, president of the Chase Manhattan Bank and adviser to UN Secretary General Dag Hammarskjöld on financing the clearance of the canal, reported on his return from Cairo on April 3 that he was confident an "equitable" method would be found to repay the nations, including the United States, which had paid for clearing the canal under UN auspices. Mr. McCloy said the cost would be about \$15 million and that Egypt was receptive to the idea of repayment through a surcharge on all Suez shipping—a surcharge which shippers are expected to be willing to pay, since the increased cost would still be lower than that of the alterna-

*(Continued on page 128)*



## Will Indonesia Disintegrate?

by Robert C. Bone, Jr.

Mr. Bone, an American Embassy political officer in Jakarta from 1951 to 1953, is at present working in the Southeast Asia program of Cornell University. In December 1955 he went to the Netherlands on a Ford Foundation grant to study the international significance of the Western New Guinea problem.

Yet again the air is filled with gloomy prophecies by various commentators on foreign affairs and by Far Eastern "experts" about the imminent collapse of Indonesia, sweeping Communist advances in Southeast Asia, and so on. It would be idle, indeed, to deny the seriousness of the problems confronting Southeast Asia's giant archipelago. But the possibility that Indonesia will either suffer complete collapse, disintegrate into a number of satrapies ruled by war lords, or will go Communist seems doubtful to this writer.

### Predominance of Java

Most basic among the republic's problems today is the conflict between the central government and the regions. Often confused with this issue is the obvious dichotomy between Java and the other islands. This dichotomy, however, is by no means new. Its roots go far back into history. Java has been the focus of power and advanced civilization throughout the archipelago for many centuries. Early exposed to Hindu culture, possessed of a fertile soil and a fecund population, the Javanese, both culturally and in terms of sheer manpower, have felt themselves paramount among the peoples of the archipelago.

Today, of Indonesia's estimated 82 million people, probably 55 million are Javanese. Inevitably, if not always happily, Javanese predominate in the governmental apparatus. That this predominance has not always been tactfully exercised is evidenced by current developments. Undoubtedly,

however, many a hapless Javanese civil servant in some other ethnic area of Indonesia has found himself the symbol for the frustrations and discontents of the local people, about which he could do no more than they. Inefficiency on the part of the central government, rather than any Javanese plot for domination, explains much of the resentment of the other areas of Indonesia.

But even on Java itself the Javanese are not alone. The western section of the island is occupied by the Sundanese, numbering, perhaps, 12 million, with their own language and culture. (Since Indonesia's last official census was held in 1930, estimates of the size of ethnic groups are largely conjectural.) And in the east are the approximately 6 million Madurese, occupying both East Java and their own island. Pre-eminent among the several important ethnic groups of Sumatra, numbering a million or more, are the fiery Atjeh-nese of the north, against whom the Dutch fought a 35-year war; the Christianized Bataks of the north central highlands; and the extrovert Minangkabaus of the west coast—the Texans of Indonesia—who from the first days of the 1945 republic have furnished a high proportion of the country's top leaders. The largest racial group in the vast extent of eastern Indonesia is concentrated on the island of Celebes, the home of the widely voyaging Macassar-Buginese people.

While it is possible to list some 54 different ethnic groups and to speak of the peoples of the archipelago as

using as many as 200 different languages, the resulting picture of an almost chaotic diversity is misleading. For shared in common are many similar attitudes and concepts, a national language spoken by all educated people as well as by many others, and adherence in all parts of the archipelago to Islam or Christianity. Above all is the fierce determination on the part of all ethnic and political groups to preserve national independence.

### Nation of Many Peoples

Nor during the course of the current so-called revolts in the areas outside Java has the split been along ethnic lines. Illustrative of this is that when last December, as part of the protest against Jakarta's policies, the reins of power in North Sumatra were seized by an officer of local Batak origin. He was censured by an Army chief of staff who was also of Batak origin, and was shortly replaced, in a bloodless coup, by yet another officer of Batak descent who proclaimed his allegiance to the central government. The same pattern has occurred in several instances in eastern Indonesia.

On the surface it is not difficult to document a case for the possible fragmentation of Indonesia, the probability of Communist take-over, and other dire developments. Following the initial "revolt" in Central Sumatra, a revolutionary council with Army support assumed power in North Sumatra, and the province of South Sumatra shortly thereafter followed suit. On February 21 Presi-

dent Sukarno finally unveiled his much heralded plan for a way out.

Its essentials involve a cabinet of national unity, including the Communists, and the formation of a "National Council," including representatives from all social, ethnic and political groups in the nation, which would serve as an advisory body to Parliament. Sukarno's plan aroused sharp opposition from the Islamic and Christian parties. Subsequently, first in the Celebes and then in Borneo, revolutionary council regimes took over the reins of power. All these developments, coupled with the resignation of the discredited Sastroamidjojo cabinet, the almost hysterical Communist support of the National Council plan and the president's recent proclamation of a "state of war and siege" throughout the country, seem to herald imminent collapse.

In terms of Britain, France, the United States or any other Western nation, such deductions would be not only logical but virtually inescapable. Indonesia, however, is not in the same category as any of these Western nations. Nor, and this deserves emphasis, is it in the same category as China between 1945 and 1949. The failure to realize this distinction has contributed in recent months to what informed observers feel has been both sensational and misleading reporting of Indonesian developments.

The fault has not been with the amount of work devoted to gathering facts nor to errors in chronology. Rather, the fault in interpretation is due to two other causes. The first of these has been the desire to find facts to fit a preconceived thesis of Indonesia's foredoomed failure as a nation. More important has been the all too common tendency to use the canons and norms of one society as the standards of judgment for an-

other. Although sociologists and anthropologists have long warned against the evils of such cultural projection, there are few among us who at one time or another are not guilty in this respect.

### Semantic Difficulties

Also, semantic difficulties have impeded understanding. For the use of such terms as "revolt," "secession," "disintegration," "Army rebel," "ultimatum" and the like, with the connotations which they have within the context of Western society, to describe current developments in Indonesia, falls far short of giving either an accurate or balanced picture. For what strange "secessions," "revolts" and "Army rebels" these have been!

When the "rebel leader" of the initial North Sumatra protest met with the Army staff chief in January at an armed forces conference in mid-Sumatra, the meeting was apparently characterized by a friendly atmosphere without untoward incident. One correspondent, reflecting his Western norms, described the affair, with some perplexity, thus: "By most accepted standards, General Nasution should have taken stern action. . . . Instead the chief of staff gave a party." And in mid-March the "rebel leaders" of the various Army "revolts" emerged from their "hide-outs" all over Indonesia to participate in an armed forces conference in Jakarta, attended by President Sukarno. Nor is paradox lacking in the recent proclamation of the state of war and siege, since its legal effect is to place the administration of the country, indeed its future, in the hands of precisely these same "rebels."

The demand for regional "autonomy" which has furnished the battle cry for the current series of protest actions, is nothing new for Indonesi-

ans. It has been a persistent theme since the republic came into existence. It is not always apparent, however, from what groups these demands originate or what is actually meant. Nor have they been the exclusive property of any particular political group or apparently the result of economic motives alone. As the most recent study on the problems of Indonesian regionalism, by Gerald S. Maryanov, sums it up, "Put in its best light, regional dissatisfaction can be called a protest against the small area of participation allowed to regional initiative in building up the country." Again, an illustration of the uniquely Indonesian character of the term "autonomy" is the fact that the various regions have usually requested the central government to *give* them "autonomy" rather than taking matters into their own hands. Dissident Central Sumatra's revolutionary council, for example, has just forwarded its projected annual budget to Jakarta for approval. All this adds up to a strange sort of "revolt" or "disintegration."

### Regional Autonomy Issue

Further, in each case the disaffected area has expressed disgruntlement with the now-resigned Sastroamidjojo cabinet but has pledged its loyalty to the president and has evinced no desire to leave the republic. The complaints have centered on the failure of the central government to provide the regions with adequate facilities and public services commensurate with the sources of income supplied to the government by the rubber of Sumatra or the copra of the Celebes. Where Javanese officials have been replaced, it would seem more often than not that this has occurred because they were representatives of Jakarta rather than on ethnic grounds. And, in some cases there have been equally strong pro-

tests against central government officials of local ethnic origins.

### 'Guided Democracy' Not New

There are still other aspects of the current situation which merit sober second thought. For example, President Sukarno's proposal for "guided democracy" is not a new idea in Indonesia. Nor should the proposal for the admission of the Communists to the government necessarily be interpreted as evidence that Sukarno is now a tool of the Communists or that any Trojan-horse maneuver is under way. There are very legitimate grounds for doubting whether Indonesia can be served best by the wholesale importation of either a Western European type of parliamentary democracy or, for that matter, the American presidential model without drastic modifications to fit indigenous cultural and social conditions. President Sukarno's own Javanese-Balinese cultural heritage consists of a customary law (*adat*) which calls on its members to live together in a state of mutual help (*gotong-royong*) and achieve decisions by a process of discussion until various factions are satisfied with the ultimate conclusions. This is a concept by no means alien to Western procedures, as anyone acquainted with the custom of the Society of Friends of continuing discussion of business matters until there is a general feeling that the "sense of the meeting," has been reached, is well aware. In the context of this heritage, Sukarno's proposal for an all-party cabinet, set up on April 8, and an inclusive National Council does not appear in the same sinister light as when viewed in the Western, particularly American, frame of reference.

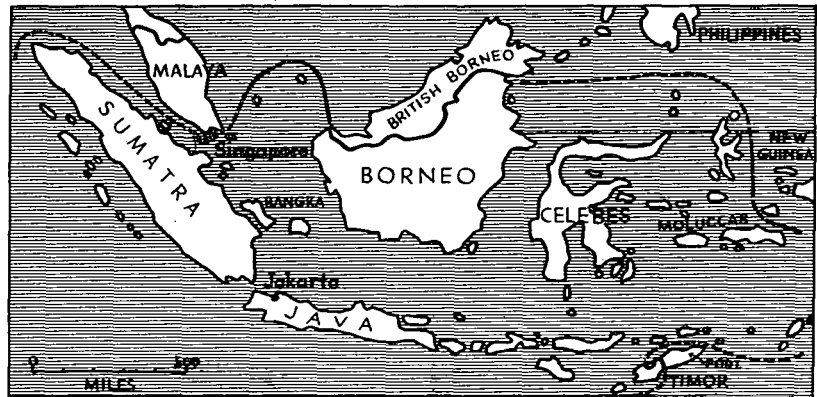
One further point should be made in connection with the relations between the central government and the regions. For the indefinite future

any central government, whether unitary, federal or any other type, must cope with regional dissatisfaction. This holds true for as long as the myth that Indonesia is a wealthy country continues to receive credence. The "wealth of the Indies" is, of course, traditional. And Indonesia's present potentialities for economic prosperity are obvious. But all too often possibility and actuality have been confused in public discussions. The result has been that individual regions have jumped to the conclusion that Jakarta is hoarding all the country's wealth while they are being treated as stepchildren. Until there is a sober realization of Indo-

dependent of the Western economy runs as high as 65 percent.

That Indonesia might suffer complete collapse and disintegration is admittedly not beyond the realm of possibility. There are many imponderables in the situation. Much depends, as it has in the past, on the enigmatic and volatile personality of President Sukarno himself. Then, too, an increase in the strength of the Communist party would augur ill, although a number of observers feel that the party's inability to fulfill its fantastic election promises of 1955 has weakened its prestige.

While the direst of journalistic Cassandras may be proved correct,



nesia's current economic difficulties, the legend of its wealth will continue to cause trouble.

That Indonesia confronts serious and possibly crushing problems is obvious to the most cursory observer. But a certain measure of caution is advisable in predictions of economic, as well as political, crisis. For example, the economic collapse of Egypt was freely predicted as a result of the closing of the Suez Canal. Yet evidence to date seems to indicate that a sufficient portion of Egyptian economy is outside the impact of the Western sphere to preclude this outcome. In the case of Indonesia, a conservative estimate of the proportion of the population which is largely in-

this does not at present seem likely. It is more likely that, whatever may be the duration or the intensity of its difficulties, Indonesia will survive without becoming a prey to Communist aggression or disintegrating into a conglomeration of military satrapies. Above all, it is necessary to interpret Indonesian developments with reserve and sober caution.

READING SUGGESTIONS: Margaret Harmon Bro, *Indonesia: Land of Challenge* (New York, Harper, 1954); Raymond Kennedy, *The Ageless Indies* (New York, Day, 1952); Gerald S. Maryanov, "Decentralization in Indonesia: Legislative Aspects," *Interim Report Series, Modern Indonesia Project*, Southeast Asia Program (Ithaca, Cornell University, 1957); Frank N. Trager, "Roots of Indonesian Conflict," *FOREIGN POLICY BULLETIN*, February 1, 1957.



## Spotlight

(Continued from page 124)

tive route around the Cape of Good Hope. By this method, according to Mr. McCloy, the clearance costs could be recouped within a year.

### Suez Company Program

Meanwhile, the Universal Suez Canal Company, which managed the canal until its nationalization, made public on April 2 a 250-page study giving a detailed program for expansion and improvement of the canal, at an estimated cost of \$287 million. The development plans envisage enormous increases in canal traffic and the tripling of 1956 tonnage by 1972. The company declares that it had planned to carry out this development program but was blocked from doing so by Egypt's nationalization. Cairo, for its part, had complained before nationalization that it had encountered difficulties in persuading the company to develop and improve the canal because the company's lease was to run out, in any case, in 1968.

The company stated that it is offering its blueprints to any organization which would utilize them for the "common good." Its announcement opened two lines of speculation. One was that the company's findings, by underscoring the tre-

mendous increase in anticipated trade and hence profits, might strengthen the claims of its stockholders for more adequate compensation than the going market rates promised by President Nasser last July. The other line of speculation was that the company might be ready to cooperate with whatever canal operating authority may emerge from current negotiations.

Of immediate interest was the company's conclusion that the canal will continue to be the "preferred route" for increased trade, regardless of the development of oil pipelines or the availability of supertankers (a number of which are now under construction) that could make the longer voyage around Africa. This conclusion raises questions about the new pipeline through Turkey discussed by Britain and the United States at Bermuda, and the planned Israeli pipeline to the port of Elath on the Gulf of Aqaba whose financing, estimated at \$70 million, has been discussed by Israel with France.

Looking to the future, Mr. Dulles on April 2 said that the United States is "anxious" to see "developments which will improve and uplift the economy of Egypt" and hinted that "a great deal of the future of Egypt" will depend on its decision to meet the West part way on the canal dispute. Just how the United States

would give economic aid to Egypt, however, was left in doubt by Mr. Dulles' answer to questions about his role on the High Aswan Dam loan. One of the reasons for rejecting the dam project, Mr. Dulles said, was the fact that Egypt "had been developing ever-closer relations with the Soviet bloc countries" and had recognized Communist China after the Korean war. Yet other countries, notably India and Yugoslavia, have received aid from the United States while getting aid from Russia; and even our ally Pakistan has recognized Peiping, although it did so before the Korean war.

VERA MICHELES DEAN

## Newsletter

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able surprise on this visit was young King Faisal II, who leans heavily on his uncle, the Emir Abdul Ilah, the regent for 14 turbulent years. Faisal is developing into a constitutional monarch of rare quality for this part of the world—one with a genuine interest in the development and progress of his country.

NEAL STANFORD

Mr. Stanford, diplomatic correspondent of *The Christian Science Monitor*, has just returned from a brief visit to Iraq at the invitation of the Baghdad government.

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